

## AWARD/CONTRACT

1. THIS CONTRACT IS A RATED ORDER  
UNDER DPAS (18 CFR 350)

RATING

PAGE OF PAGES

1 32

2. CONTRACT (Proc. Inst. Ident.) NO.

6300-00103

3. EFFECTIVE DATE

4. REQUISITION/PURCHASE REQUEST/PROJECT NO.

N/A

5. ISSUED BY

CODE

Minerals Management Service  
Western Administrative Service Center  
Procurement Branch, MS-2730  
P. O. Box 25165, Denver Federal Center  
Denver, Colorado 80225-0165

6. ADMINISTERED BY (If other than item 5)

CODE

Todd W. Leneau  
Contracting Officer  
(303) 275-7385  
Same Address as Block 5

ORIGINAL

7. NAME AND ADDRESS OF CONTRACTOR (No., street, city, county, State and ZIP Code)

U. S. Oil and Refining Company  
2121 Rosecrans Avenue  
Suite 2360  
El Segundo, California 90245-4709

8. DELIVERY

☐ FOB ORIGIN☒ OTHER (See below)

9. DISCOUNT FOR PROMPT PAYMENT

N/A - Sales Contract

10. SUBMIT INVOICES  
(4 copies unless other-  
wise specified) TO THE  
ADDRESS SHOWN IN:

ITEM

N/A

CODE

FACILITY CODE

11. SHIP TO/MARK FOR

CODE

N/A - Sales Contract

12. PAYMENT WILL BE MADE BY

CODE

N/A

13. AUTHORITY FOR USING OTHER THAN FULL AND OPEN COMPETITION

14. ACCOUNTING AND APPROPRIATION DATA

N/A

☐ 18 U.S.C. 2304(c) ( )☐ 41 U.S.C. 253(c) ( )

15A. ITEM NO

15B. SUPPLIES/SERVICES

15C. QUANTITY

15D. UNIT

15E. UNIT PRICE

15F. AMOUNT

Sale of Crude Oil. See Pages 4 through 19.

Period of Performance: April 1, 2000 through  
September 30, 2000.

16G. TOTAL AMOUNT OF CONTRACT

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CONTRACTING OFFICER WILL COMPLETE ITEM 17 OR 18 AS APPLICABLE

17. CONTRACTOR'S NEGOTIATED AGREEMENT (Contractor is required to sign

18. ☒ AWARD

(Contractor is not required to sign this document) Your offer on

this document and return copies to issuing office.) Contractor agrees to furnish  
and deliver all items or perform all the services set forth or otherwise identified above  
and on any continuation sheets for the consideration stated herein. The rights and  
obligations of the parties to this contract shall be subject to and governed by the  
following documents: (a) this award/contract, (b) the solicitation, if any, and (c) such  
provisions, representations, certifications, and specifications, as are attached or  
incorporated by reference herein. (Attachments are listed herein.)

Solicitation Number 00-1  
including the additions or changes made by you which additions or changes are set forth  
in full above, is hereby accepted as to the items listed above and on any continuation  
sheets. This award consummates the contract which consists of the following documents:  
(a) the Government's solicitation and your offer, and (b) this award/contract. No further  
contractual document is necessary.

19A. NAME AND TITLE OF SIGNER (Type or print)

20A. NAME OF CONTRACTING OFFICER

Todd W. Leneau

19B. NAME OF CONTRACTOR

19C. DATE SIGNED

20B. UNITED STATES OF AMERICA

20C. DATE SIGNED

BY  
(Signature of person authorized to sign)

BY *Todd W. Leneau*  
(Signature of Contracting Officer)

MAR 16 2000

PREVIOUS EDITION UNUSABLE

STANDARD FORM 24 (REV. 4-88)  
Prescribed by GSA  
FAR (48 CFR) 53.214(a)

SECTION A

**BIDDER'S CERTIFICATION AND ACCEPTANCE SIGNATURE PAGE**

BIDDER'S BUSINESS NAME: U.S. Oil & Refining Co.

ADDRESS: 2121 Rosecrans Ave., Suite 2360, El Segundo, CA 90245-4709

CORPORATE OR PARTNERSHIP OFFICER: 

TYPED NAME AND TITLE: Thomas A. Treichel, Assistant Secretary

DATE: February 2, 2000

CORPORATE SEAL: 

Bids by corporations must be executed over the corporate seal.

Having examined the bidding documents, including any modifications to IFB No. 00-1 (if applicable), the receipt of which is hereby duly acknowledged, we, the undersigned, offer to purchase Royalty Oil in conformity with our bid prices for specific crude types and other information included in Exhibit A, attached herewith and made part of this Bid.

We undertake, if our Bid for a specific crude oil type is accepted, to select leases from Exhibit B, a list of leases selected will be attached herewith and made a part of the contract, and to purchase the Royalty Oil in accordance with the provisions in the IFB.

We will obtain the Letter of Credit in accordance with the provisions in the IFB.

We agree to abide by this Bid for a period of 45 days from the date fixed for Bid opening under the Instructions to Bidders, and it shall remain binding upon us and may be accepted at any time before the expiration of that period.

Your Bid, this signed Bidder's Certification and Acceptance Signature page, the MMS notification of award, and the final list of leases that you choose for your winning crude oil type, shall constitute a binding Contract between the Purchaser and the Seller.

We certify that we are a qualified bidder as described in H.1 of the IFB and that the information, representations and certifications include herein are accurate and complete.

The making of false statements to the Seller is punishable by a fine of not more than \$10,000 and/or not more than five years imprisonment, see 18 U.S.C. 1001.

Dated this 2nd day of February 19 2000.



Authorized Signature

Assistant Secretary  
Title

**DOCUMENTS TO ACCOMPANY BID:** Bidders must submit the following documents with their bids. Seller may reject, as nonresponsive, bids not accompanied by these documents:

1. Section A, Executed Bidder's Certification and Acceptance Signature Page (3 copies)
2. Exhibit A (Your BID for Federal Oil) (One Copy)
3. Section J - Representations and Certifications (One Copy)
4. An ILOC or Bond equal to 30 days of crude oil production for the leases that you are bidding on the crude oil type. (One copy)
5. List of Bidder's Representatives from Paragraph D.5, Page 16 (One copy)

## Exhibit A

Table of MMS Crude Oil Pricing and Bid

## Gulf of Mexico:

Crude Oil Type	Delivery Point	Price per Barrel	Bid + or -	
Light Louisiana Sweet	St. James, LA	{Koch Posting + Platt's P+} - {Platt's WTI-LLS}	X	X
Light Louisiana Sweet	South Bend, LA	{Koch Posting + Platt's P+} - {Platt's WTI-LLS}		
Heavy Louisiana Sweet	Empire, LA	{Koch Posting + Platt's P+} - {Platt's WTI-HLS}		
Eugene Island	St. James, LA	{Koch Posting + Platt's P+} - {Platt's WTI-EI}		
Mars Blend	Clovelly, LA	{Koch Posting + Platt's P+} - {Platt's WTI-Mars}		
Bonito Sour	St. James, LA	{Koch Posting + Platt's P+} - {Platt's WTI-BS}		
Poseidon	Houma, LA	{Koch Posting + Platt's P+} - {Platt's WTI-Poseidon}		
Heavy Louisiana Sweet	Grand Isle, LA	{Koch Posting + Platt's P+} - {Platt's WTI-HLS}	4	4

Table of MMS Crude Oil Pricing and Bid

## Pacific:

Oil Group	Fields Comprising Group	Location of Delivery Assumed Delivery gravity	Price per Barrel	Bid + or -	
Coastal Light (CL-M)	Santa Clara	Mandalay Beach, CA 21°	Average of Platt's Oilgram and Petroleum Argus's spot price for AMS +/- a gravity adjustment	X	X
Coastal Light (CL-C)	Santa Clara Sockeye	Carpinteria, CA 24°	Average of Platt's Oilgram and Petroleum Argus's spot price for AMS +/- a gravity adjustment		
Beta (BTA)	Beta	Beta Onshore Facility 17.8°	Average of Platt's Oilgram and Petroleum Argus's spot price for AMS +/- a gravity adjustment		
Pt. Pedernales (PTP)	Pt. Pedernales	Lompoc, CA 16.2°	Average of Platt's Oilgram and Petroleum Argus's spot price for AMS +/- a gravity adjustment	4	4

# Exhibit B-1

## RIK Lease Listing for Sale 00-1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining					Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block				
26	054-003782-0	20177092601	Vastar Resources Inc.	ET	174	LLS	St. James	194	
26	054-003782-0	2017709260C	Newfield Exploration Company	ET	174	LLS	St. James	2	
26	054-013622-0	20177092601	Vastar Resources Inc.	ET	173	LLS	St. James	154	
26	055-003438-0	20177092601	Vastar Resources Inc.	ET	175	LLS	St. James	346	
Bundle Subtotal								726	
51	054-005779-0	20177162600	Shell Off shore, Inc.	ST	302	HLS	Empire	52	
Bundle Subtotal								52	
58	054-001604-0	20177203900	Newfield Exploration Company	WD	152	HLS	Empire	78	
58	054-001604-0	20608173901	Newfield Exploration Company	WD	152	HLS	Empire	8	
58	054-001898-0	20171012500	Newfield Exploration Company	ST	148	HLS	Empire	4	
58	054-001898-0	20177153602	Newfield Exploration Company	ST	148	HLS	Empire	136	
58	054-003577-0	20177113350	Newfield Exploration Company	SS	69	HLS	Empire	139	
58	054-003602-0	20171012500	Newfield Exploration Company	ST	111	HLS	Empire	15	
58	054-012024-0	20171012500	Newfield Exploration Company	ST	193	HLS	Empire	11	
Bundle Subtotal								421	
65	054-004002-0	20177173701	Apache Corporation	GI	33	HLS	Empire	55	
65	054-005659-0	20177173600	Apache Corporation	GI	82	HLS	Empire	192	
65	054-012981-0	20177162600	Apache Corporation	ST	296	HLS	Empire	38	
65	054-016461-0	20170753510	Apache Corporation	GI	45	HLS	Empire	9	
Bundle Subtotal								294	

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## Exhibit B-1

### RIK Lease Listing for Sale 00-1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining						Daily Royalty Share	
Bundle	Lease Number	FNP Number	Operator Name	Area	Block	Oil Type	Market Center		
69	054-00253-0	2017715260H	Samedan Oil Corporation	ST	169	HLS	Empire	107	
69	054-00256-0	20170753510	Samedan Oil Corporation	ST	172	HLS	Empire	0	
69	054-00256-0	2017715260H	Samedan Oil Corporation	ST	172	HLS	Empire	2	
69	054-001177-0	20170753510	Samedan Oil Corporation	ST	163	HLS	Empire	0	
69	054-001593-0	20170753510	Samedan Oil Corporation	ST	195	HLS	Empire	0	
69	054-001593-0	2017715260H	Samedan Oil Corporation	ST	195	HLS	Empire	0	
69	054-001793-0	20171012400	Samedan Oil Corporation	GI	83	HLS	Empire	4	
69	054-001611-0	2017715260H	Samedan Oil Corporation	ST	197	HLS	Empire	16	
69	054-011539-0	20170573450	Samedan Oil Corporation	ST	220	HLS	Empire	16	
<b>Bundle Subtotal</b>								<b>215</b>	
77	055-001839-0	20170513800	Conoco, Incorporated	WD	94	HLS	Empire	110	
77	055-001839-0	20170513800	Hall-Houston Oil Co	WD	94	HLS	Empire	3	
<b>Bundle Subtotal</b>								<b>113</b>	
78	054-001019-0	2017711260B	Chevron U.S.A., Inc.	SS	182	LLS	St. James	116	
78	054-001146-0	20177052603	Chevron U.S.A., Inc.	VR	245	LLS	St. James	126	
<b>Bundle Subtotal</b>								<b>312</b>	
80	054-001023-0	2017711260L	Murphy Exp. & Prod. Company	SS	224	LLS	St. James	87	
80	054-001023-0	2017711260M	Murphy Exp. & Prod. Company	SS	224	LLS	St. James	110	
80	054-001526-0	2017711260L	Murphy Exp. & Prod. Company	SS	223	LLS	St. James	18	

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## RIK Lease Listing for Sale 00-1

Refiner Number: 00103		RefinerName: U.S. Oil & Refining					Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block				
80	054-001526-0	201771260M	Murphy Exp & Prod Company	SS	223	LLS	St. James	78	
Bundle Subtotal								413	
81	054-001027-0	201771260J	CNG Producing Company	SS	246	LLS	St. James	162	
81	054-001172-0	2017706260J	CNG Producing Company	VR	313	LLS	St. James	109	
Bundle Subtotal								271	
82	054-001031-0	201771260Y	Union Oil Co. of Calif	SS	253	LLS	St. James	41	
82	054-001034-0	201771260H	Union Oil Co. of Calif	SS	266	LLS	St. James	250	
82	054-001036-0	201771260Y	Union Oil Co. of Calif	SS	269	LLS	St. James	9	
82	054-001228-0	201771260G	Union Oil Co. of Calif	SS	208	LLS	St. James	220	
82	054-001230-0	201771260J	Union Oil Co. of Calif	SS	215	LLS	St. James	158	
82	054-004142-0	20171092650	Union Oil Co. of Calif	EI	113A	LLS	St. James	12	
Bundle Subtotal								690	
83	054-001039-0	201771260E	Apache Corporation	SS	274	LLS	St. James	197	
83	054-001043-0	201771260E	Apache Corporation	SS	293	LLS	St. James	47	
83	054-005646-0	2017716260J	Apache Corporation	ST	295	LLS	St. James	644	
83	054-007780-0	2017716260J	Apache Corporation	ST	276	LLS	St. James	134	
83	054-011911-0	2017707260J	Apache Corporation	SM	71	LLS	St. James	163	
Bundle Subtotal								1185	
87	054-002896-0	21171132800	Ocean Energy	SM	244	LLS	St. James	9	
87	054-002898-0	21171132800	Sxone Energy Corp	EI	242	LLS	St. James	5	

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## RIK Lease Listing for Sale 00-1

Refiner Number: 00103		RefinerName: U.S. Oil & Refining				Oil			Daily
Bundle	Lease Number	FMP Number	Operator Name	Area	Block	Type	Market Center	Royalty	Share
87	054-002899-0	21171132800	Ocean Energy	EI	243	LLS	St. James	0	
87	054-002899-0	21171132800	Stone Energy Corp	EI	243	LLS	St. James	98	
87	054-017966-0	20171012300	Ocean Energy	EI	106	LLS	St. James	107	
87	055-000478-0	20171012300	Ocean Energy	EI	116	LLS	St. James	29	
87	055-000797-0	20171012300	Ocean Energy	EI	105	LLS	St. James	71	
Bundle Subtotal								320	
89	054-001152-0	20177062600	Stone Energy Corp	VR	255	LLS	St. James	374	
89	054-001153-0	21171112800	Stone Energy Corp	VR	256	LLS	St. James	37	
89	054-002082-0	20177062601	Stone Energy Corp	VR	268	LLS	St. James	48	
89	054-002082-0	21171132800	Stone Energy Corp	VR	268	LLS	St. James	2	
Bundle Subtotal								461	
90	054-002094-0	20177082601	Forcenergy Inc	SM	115	LLS	St. James	13	
90	054-002279-0	20177082601	Forcenergy Inc	SM	106	LLS	St. James	30	
90	054-002279-0	20177082602	Forcenergy Inc	SM	106	LLS	St. James	19	
90	054-002588-0	20177082606	Forcenergy Inc	SM	136	LLS	St. James	2	
90	054-002588-0	20177082607	Forcenergy Inc	SM	136	LLS	St. James	44	
90	054-002589-0	20177082606	Forcenergy Inc	SM	137	LLS	St. James	2	
90	054-002589-0	20177082607	Forcenergy Inc	SM	137	LLS	St. James	36	
90	054-003776-0	20177082602	Forcenergy Inc	SM	106	LLS	St. James	144	

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## RIK Lease Listing for Sale 00- 1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining					Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block	Oil Type		
90	054-004261-0	20177062606	Forcenergy Inc.	WR	330	LLS	St. James	7
90	055-000829-0	2017711260J	Forcenergy Inc.	SS	219	LLS	St. James	283
Bundle Subtotal								560
91	054-001194-0	20177072601	Shell Offshore, Inc.	SM	58	LLS	St. James	114
91	054-017199-0	2042709015J	Shell Offshore, Inc.	ED	A 545	LLS	St. James	6
Bundle Subtotal								120
94	054-001134-0	21171132800	Taylor Energy Company	WR	191	LLS	St. James	19
94	054-001201-0	20177072206	Taylor Energy Company	SM	69	LLS	St. James	4
94	054-001201-0	20177072206	Taylor Energy Company	SM	69	LLS	St. James	99
94	054-001204-0	20177072206	Taylor Energy Company	SM	72	LLS	St. James	137
94	054-001205-0	20177072206	Taylor Energy Company	SM	73	LLS	St. James	346
94	054-001205-0	20177072206	Taylor Energy Company	SM	73	LLS	St. James	2
94	054-017935-0	20177072206	Taylor Energy Company	SM	68	LLS	St. James	5
Bundle Subtotal								622
95	054-001520-0	2017711260C	Union Pacific Resources	SS	204	LLS	St. James	162
95	054-001523-0	2017711260E	Union Pacific Resources	SS	207	LLS	St. James	19
95	054-001523-0	2017711260E	Union Pacific Resources	SS	207	LLS	St. James	65
95	054-001524-0	2017711260E	Union Pacific Resources	SS	216	LLS	St. James	100
Bundle Subtotal								366
96	054-004213-0	21171132800	Coastal Oil & Gas	WR	289	LLS	St. James	41

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### RIK Lease Listing for Sale 00-1

Refiner Number:00103			RefinerName: U.S. Oil & Refining			Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block			
Bundle Subtotal								41
99	054-002037-0	20170530900	Amoco Production Company	EC	222	LLS	S. James	21
Bundle Subtotal								21
100	055-003590-0	21171132800	W & T Offshore Inc	SS	177	LLS	S. James	191
Bundle Subtotal								191
101	054-001196-0	20171012400	Chevron U.S.A., Inc	SM	61	LLS	S. James	6
101	054-001196-0	21171132800	Chevron U.S.A., Inc	SM	61	LLS	S. James	0
101	054-002076-0	20177052600	Chevron U.S.A., Inc	VR	214	LLS	S. James	568
101	054-003543-0	20171131800	Chevron U.S.A., Inc	VR	24	LLS	S. James	53
101	054-007750-0	20177112604	Chevron U.S.A., Inc	SS	100	LLS	S. James	32
101	055-000814-0	20177112604	Chevron U.S.A., Inc	SS	108	LLS	S. James	37
101	055-000820-0	20177112605	Chevron U.S.A., Inc	SS	169	LLS	S. James	318
101	055-000821-0	20177112608	Chevron U.S.A., Inc	SS	183	LLS	S. James	371
Bundle Subtotal								1495
102	054-002088-0	20170230810	CXY Energy Inc.	VR	321	LLS	S. James	12
102	054-002090-0	20177062607	CXY Energy Inc.	VR	339	LLS	S. James	17
102	054-002091-0	20177062607	CXY Energy Inc.	VR	340	LLS	S. James	14
102	054-003138-0	20170230811	CXY Energy Inc.	VR	302	LLS	S. James	2
102	054-004085-0	20170230811	CXY Energy Inc.	WC	170	LLS	S. James	56
Bundle Subtotal								101

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## RIK Lease Listing for Sale 00-1

Refiner Number: 00103			Refiner Name: U.S. Oil & Refining			Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block			
105	054-002311-0	20171012500	Union Pacific Resources	SM	269	LLS	St. James	0
105	054-002311-0	20177072602	Union Pacific Resources	SM	269	LLS	St. James	312
105	054-002600-0	20171012500	Union Pacific Resources	SM	281	LLS	St. James	155
105	054-002600-0	20177072602	Union Pacific Resources	SM	281	LLS	St. James	0
105	054-003170-0	2017711260E	Union Pacific Resources	SS	290	LLS	St. James	32
105	054-012904-0	20171012500	Union Pacific Resources	SM	282	LLS	St. James	0
105	054-012904-0	20177072602	Union Pacific Resources	SM	282	LLS	St. James	62
105	054-014456-0	20171012500	Union Pacific Resources	SM	280	LLS	St. James	0
105	054-014456-0	20177072602	Union Pacific Resources	SM	280	LLS	St. James	47
Bundle Subtotal								608
109	054-001860-0	20170231110	Vastar Resources Inc.	WC	66	LLS	St. James	207
109	054-002819-0	20170231110	Vastar Resources Inc.	WC	35	LLS	St. James	31
109	054-002825-0	20170231100	Vastar Resources Inc.	WC	65	LLS	St. James	118
109	054-002826-0	20170231100	Vastar Resources Inc.	WC	66	LLS	St. James	1
109	054-002826-0	20170231110	Vastar Resources Inc.	WC	66	LLS	St. James	72
109	054-003251-0	20170231110	Vastar Resources Inc.	WC	34	LLS	St. James	11
Bundle Subtotal								440
111	054-002923-0	2017711260E	Union Pacific Resources	SS	291	LLS	St. James	55
111	054-002923-0	2017712260E	Apache Corporation	SS	291	LLS	St. James	5

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### RIK Lease Listing for Sale 00-1

Refiner Number:00103		RefinerName: U.S. Oil & Refining					Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block				
111	054-010775-0	2017711263E	Union Pacific Resources	SS	190	LLS	St. James	11	
Bundle Subtotal								71	
118	054-003584-0	2017711263A	Newfield Exploration Company	SS	170	LLS	St. James	3	
118	054-003584-0	2017711263A	Newfield Exploration Company	SS	170	LLS	St. James	9	
118	054-003584-0	20177112951	Chevron U.S.A., Inc	SS	170	LLS	St. James	0	
118	054-003584-0	21171132800	Chevron U.S.A., Inc	SS	170	LLS	St. James	1	
118	054-004231-0	20177112951	Chevron U.S.A., Inc	SS	181	LLS	St. James	246	
Bundle Subtotal								259	
127	054-005286-0	20170231100	Burlington Resources Offshore	WC	178	LLS	St. James	14	
127	054-013560-0	20170231100	Burlington Resources Offshore	WC	142	LLS	St. James	113	
127	055-000487-0	20171131900	Burlington Resources Offshore	VR	115	LLS	St. James	33	
127	055-000487-0	21171132800	Burlington Resources Offshore	VR	115	LLS	St. James	43	
127	055-000495-0	20171131900	Burlington Resources Offshore	VR	124	LLS	St. James	140	
Bundle Subtotal								243	
128	054-005550-0	2017709260H	Union Oil Co. of Calif	SS	175	LLS	St. James	51	
Bundle Subtotal								51	
130	054-005346-0	20170530900	Amerada Hess Corp	WC	556	LLS	St. James	4	
130	054-005346-0	20170530900	CNG Producing Company	WC	556	LLS	St. James	8	
130	054-005391-0	20170530900	CNG Producing Company	EC	299	LLS	St. James	7	
130	055-000787-0	20171092650	Union Oil Co. of Calif	SM	49	LLS	St. James	16	

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## RIK Lease Listing for Sale 00- 1

Refiner Number: 00103		RefinerName: U.S. Oil & Refining				Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block			
130	054-000827-0	2017711260G	Union Oil Co. of Calif	SS	209	LLS	St. James	228
Bundle Subtotal								253
132	054-002130-0	20177082950	Amerada Hess Corp	SM	107	LLS	St. James	61
132	054-001388-0	20171132000	Amerada Hess Corp	EC	336	LLS	St. James	16
132	054-003473-0	20171092650	Amerada Hess Corp	SM	192	LLS	St. James	30
Bundle Subtotal								107
134	054-003549-0	21171132800	Murphy Exp. & Prod. Company	SS	166	LLS	St. James	20
134	054-000612-0	2017711260H	Murphy Exp. & Prod. Company	SS	101	LLS	St. James	21
Bundle Subtotal								41
135	054-001130-0	20177052200	Burlington Resources	VR	171	LLS	St. James	154
135	054-005558-0	20171012300	Burlington Resources	SS	202	LLS	St. James	46
135	054-003678-0	20177062955	Burlington Resources	VR	404	LLS	St. James	70
135	054-003707-0	2017709260F	Burlington Resources	SS	128	LLS	St. James	0
Bundle Subtotal								270
138	054-007759-0	2017712260D	Santa Fe Snyder Corporation	SS	299	LLS	St. James	69
Bundle Subtotal								69
141	054-012000-0	2017712260E	Apache Corporation	SS	292	LLS	St. James	6
141	054-013607-0	20171132000	Apache Corporation	SM	40	LLS	St. James	4
141	055-000775-0	20171131600	Apache Corporation	VR	131	LLS	St. James	1
141	055-000775-0	20171131600	Stone Energy Corp	VR	131	LLS	St. James	12

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# Exhibit B-1

## RIK Lease Listing for Sale 00-1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining					Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FWP Number	Operator Name	Area	Block				
							<b>Bundle Subtotal</b>		23
144	054-001022-0	20 7711260V	Kerr-McJee Corp	SS	218	LLS	St. James		13
144	054-001025-0	20 7711260O	Kerr-McJee Corp	SS	239	LLS	St. James		39
144	054-001528-0	20 7711260T	Kerr-McJee Corp	SS	233	LLS	St. James		176
144	054-003169-0	20 7711260T	Kerr-McJee Corp	SS	238	LLS	St. James		30
144	054-014391-0	20 70230811	Kerr-McJee Corp	EC	373	LLS	St. James		12
144	054-015293-0	20 7711260T	Kerr-McJee Corp	SS	232	LLS	St. James		9
144	055-000828-0	20 7711260T	Kerr-McJee Corp	SS	214	LLS	St. James		113
144	055-000830-0	20 7711260P	Kerr-McJee Corp	SS	229	LLS	St. James		227
144	055-000831-0	20 7711260P	Kerr-McJee Corp	SS	230	LLS	St. James		52
							<b>Bundle Subtotal</b>		771
148	054-011983-0	20 7711260Y	Phillips Petroleum Co	SS	148	LLS	St. James		27
148	055-000434-0	20 7711260Y	Phillips Petroleum Co	SS	149	LLS	St. James		144
							<b>Bundle Subtotal</b>		171
155	055-000593-0	20 71012300	Conoco, Incorporated	SS	198	LLS	St. James		105
							<b>Bundle Subtotal</b>		105
156	055-000419-0	20 77112606	Pennzenergy Prod. & Expl. LLC	SS	150	LLS	St. James		191
156	055-000419-0	20 7711260Y	Century Offshore Management	SS	150	LLS	St. James		169
156	055-000420-0	20 77112606	Pennzenergy Prod. & Expl. LLC	SS	154	LLS	St. James		305
							<b>Bundle Subtotal</b>		665

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## RIK Lease Listing for Sale 00- 1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining				Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FNP Number	Operator Name	Area	Block			
158	054-007769-0	20 71092630	Union Pacific Resources	ST	198	HLS	Empire	8
158	054-013040-0	20 71012500	Union Pacific Resources	ST	139	HLS	Empire	31
<b>Bundle Subtotal</b>								<b>39</b>
159	054-001067-0	20 77193900	Exxon Company, U.S.A.	WD	32	HLS	Empire	0
159	054-001067-0	20 77193900	Seneca Resources Corp	WD	32	HLS	Empire	1
159	054-001067-0	20 77193900	Seneca Resources Corp	WD	32	HLS	Empire	0
159	054-001067-0	20 77193900	Seneca Resources Corp	WD	32	HLS	Empire	12
159	054-001332-0	20 77193900	Exxon Company, U.S.A.	WD	32	HLS	Empire	9
159	054-001332-0	20 77193900	Seneca Resources Corp	WD	32	HLS	Empire	0
159	054-001332-0	20 77193900	Seneca Resources Corp	WD	32	HLS	Empire	6
159	054-001332-0	20 77193900	Seneca Resources Corp	WD	32	HLS	Empire	7
<b>Bundle Subtotal</b>								<b>33</b>
161	054-001085-0	20 77193906	Amoco Production Company	WD	75	HLS	Empire	144
161	054-001085-0	20 77193908	Amoco Production Company	WD	75	HLS	Empire	76
161	054-001089-0	20 77193906	Amoco Production Company	WD	90	HLS	Empire	167
161	054-001193-0	20 70755600	Amoco Production Company	MP	140	HLS	Empire	485
161	054-011360-0	20 77193906	Amoco Production Company	WD	103	HLS	Empire	31
<b>Bundle Subtotal</b>								<b>903</b>
163	054-007710-0	20 70755600	W & T Offshore Inc	MP	141	HLS	Empire	48
<b>Bundle Subtotal</b>								<b>48</b>

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## RIK Lease Listing for Sale 00- 1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining			Oil Type		Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block	Oil Type		
164	054-001073-0	201707543000	Vastar Resources Inc.	WD	41	HLS	Empire	170
164	054-001106-0	201772039000	Vastar Resources Inc.	WD	133	HLS	Empire	16
164	054-012093-0	201772451100	Vastar Resources Inc.	MP	199	HLS	Empire	3
164	054-0116470-0	201707543000	Vastar Resources Inc.	WD	42	HLS	Empire	2
Bundle Subtotal								201
165	054-001101-0	201772043000	Chevron U.S.A., Inc.	WD	117	HLS	Empire	263
165	054-001295-0	201772553000	Chevron U.S.A., Inc.	MP	40	HLS	Empire	91
165	054-001297-0	201772553000	Chevron U.S.A., Inc.	MP	40	HLS	Empire	11
165	054-001312-0	201772553000	Chevron U.S.A., Inc.	MP	127	HLS	Empire	58
165	054-001367-0	201772553000	Chevron U.S.A., Inc.	MP	40	HLS	Empire	16
165	054-001372-0	201772553000	Chevron U.S.A., Inc.	MP	55	HLS	Empire	100
165	054-001373-0	201772553000	Chevron U.S.A., Inc.	MP	56	HLS	Empire	81
165	054-001452-0	201772553000	Chevron U.S.A., Inc.	MP	40	HLS	Empire	107
165	054-001623-0	201772553000	Chevron U.S.A., Inc.	MP	40	HLS	Empire	47
165	054-001633-0	201707554000	Chevron U.S.A., Inc.	MP	133	HLS	Empire	107
165	054-001634-0	201707554000	Chevron U.S.A., Inc.	MP	144	HLS	Empire	320
165	054-001649-0	201707554000	Chevron U.S.A., Inc.	MP	237	HLS	Empire	0
165	054-001338-0	201772553000	Chevron U.S.A., Inc.	MP	44	HLS	Empire	11
165	054-001127-0	201772451100	Chevron U.S.A., Inc.	MP	313	HLS	Empire	436

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## RIK Lease Listing for Sale 00-1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining				Oil			Daily
Bundle	Lease Number	FMP Number	Operator Name	Area	Block	Type	Market Center	Royalty Share	
165	054-009690-0	20177204300	Chevron U.S.A., Inc	WD	118	HLS	Empire	25	
165	054-013964-0	20170755400	Chevron U.S.A., Inc	MP	122	HLS	Empire	1	
Bundle Subtotal								1754	
166	054-003601-0	20177193904	Walter Oil and Gas Corp	WD	62	HLS	Empire	38	
166	054-004486-0	20177245103	Walter Oil and Gas Corp	MP	301	HLS	Empire	91	
166	054-015645-0	20177193907	Walter Oil and Gas Corp	WD	106	HLS	Empire	26	
Bundle Subtotal								155	
169	054-001449-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	90	
169	054-001449-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	27	
169	054-001449-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	0	
169	054-001874-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	47	
169	054-001874-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	51	
169	054-001874-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	33	
169	054-001989-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	24	
169	054-001989-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	1	
169	054-001989-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	0	
169	054-002136-0	20177194600	Marathon Oil Company	WD	80	HLS	Empire	0	
169	054-002934-0	20177194601	Marathon Oil Company	WD	86	HLS	Empire	5	
169	054-010883-0	20177224602	Marathon Oil Company	WD	128	HLS	Empire	326	

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## RIK Lease Listing for Sale 00-

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Refiner Number: 00103		Refiner Name: U.S. Oil & Refining				Oil	Market Center	Daily Royalty Share
Bundle	Lease Number	FNP Number	Operator Name	Area	Block	Type		
169	054-001883-0	20177224602	Marathon Oil Company	WD	128	HLS	Empire	9
							<b>Bundle Subtotal</b>	633
170	054-001665-0	20177245110	Conoco, Incorporated	MP	288	HLS	Empire	35
170	054-001666-0	20177245110	Conoco, Incorporated	MP	289	HLS	Empire	52
170	054-001666-0	20177245118	Apache Corporation	MP	289	HLS	Empire	515
170	054-001667-0	20177245118	Apache Corporation	MP	290	HLS	Empire	50
							<b>Bundle Subtotal</b>	732
171	054-008467-0	20177245115	Shell Offshore, Inc.	MP	315	HLS	Empire	88
171	054-008760-0	20177245115	Shell Offshore, Inc.	MP	309	HLS	Empire	224
171	054-016520-0	20177245115	Shell Offshore, Inc.	MP	312	HLS	Empire	120
							<b>Bundle Subtotal</b>	432
173	054-001676-0	20170755230	Samedar Oil Corporation	MP	305	HLS	Empire	132
173	054-001677-0	20170755230	Samedar Oil Corporation	MP	306	HLS	Empire	268
							<b>Bundle Subtotal</b>	400
176	054-002941-0	20177224731	Chevron U.S.A., Inc.	WD	78	HLS	Empire	93
							<b>Bundle Subtotal</b>	93
178	054-002950-0	20177255130	Apache Corporation	MP	148	HLS	Empire	37
178	054-002951-0	20177255130	Apache Corporation	MP	151	HLS	Empire	18
178	055-000840-0	20177193903	Apache Corporation	WD	103	HLS	Empire	100
178	055-000841-0	20177193903	Apache Corporation	WD	104	HLS	Empire	108

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## RIK Lease Listing for Sale 00-1

Refiner Number: 00103		Refiner Name: U.S. Oil & Refining					Oil Type	Market Center	Daily Royalty Share
Bundle	Lease Number	FMP Number	Operator Name	Area	Block				
178	054-000842-0	20177193903	Apache Corporation	WD	105		HLS	Empire	302
Bundle Subtotal									563
180	054-000832-0	20177255303	Kerr-McGee Corp	MP	108		HLS	Empire	47
180	054-000804-0	20177255303	Kerr-McGee Corp	MP	107		HLS	Empire	9
Bundle Subtotal									56
181	054-000903-0	20177255303	Elf Exploration Inc	MP	30		HLS	Empire	164
Bundle Subtotal									164
182	054-000825-0	21177241270	Santa Fe Snyder Corporation	MP	255		HLS	Empire	5
182	054-000901-0	21177241270	Santa Fe Snyder Corporation	MP	255		HLS	Empire	4
182	054-010035-0	2017724511E	Santa Fe Snyder Corporation	MP	261		HLS	Empire	45
Bundle Subtotal									54
184	054-012088-0	20177255400	Pogo Production Company	MP	123		HLS	Empire	63
Bundle Subtotal									63
187	054-010032-0	2017724511C	CNG Producing Company	MP	224		HLS	Empire	2
187	054-010034-0	2017724511C	CNG Producing Company	MP	249		HLS	Empire	7
187	054-010971-0	2017724511C	CNG Producing Company	MP	216		HLS	Empire	23
187	054-014580-0	2017724511C	CNG Producing Company	MP	217		HLS	Empire	4
187	054-014581-0	2017724511C	CNG Producing Company	MP	255		HLS	Empire	6
Bundle Subtotal									42
Summary for Refiner Number = 00103 (238 detail records)									
Sum									19776

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## SECTION C

### TERMS AND CONDITIONS OF OIL SALES AND PURCHASE

#### C.1. DEFINITIONS

ANS means Alaska North Slope

API means the American Petroleum Institute.

Argus means Petroleum Argus spot market price postings.

Argus' Month of Delivery means Argus quotes from the first day through the last day of the month, one month prior to the physical month of delivery (excluding weekends and holidays).

Audit refers to any review, conducted in accordance with generally accepted accounting and auditing standards, of royalty payment compliance activities of lessees or other interest holders who pay royalties, rents, or bonuses on Federal and Indian Leases, and, as used herein, refers to such review of Purchaser's compliance with the provisions of this Contract.

Barrel means 42 U.S. gallons of 231 cubic inches per gallon corrected to 60 degrees Fahrenheit.

Bond means a Royalty-in-Kind Contract Surety Bond (Form MMS-4072) with no modifications. The bond must be issued by a qualified surety company that is approved by the Department of the Treasury (see Department of the Treasury Circular No. 570, revised periodically in the Federal Register).

BS (Bonito Sour) means the arithmetic average of the daily high and low price quotes for "BS" for Platt's Month of Delivery.

Contract means this IFB No. 00-1, immediately after it has been fully executed and accepted by Bidder and the MMS, and includes any amendments or revisions thereto, between the Parties, and constitutes an obligation which, with due consideration, is enforceable by law.

Contracting Officer (CO) is a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes the authorized representative of a CO acting within the limits of his or her authority, as delegated by the CO, except as otherwise provided in this contract.

Contracting Officer's Technical Representative (COTR) is that person named to administer day-to-day technical contracting matters.

Crude Oil means a mixture of hydrocarbons that existed in the liquid phase in natural underground reservoirs and remains liquid at atmospheric pressure after passing through surface separating facilities and is marketed or used as such.

Day, Month, and Year mean respectively, calendar day, calendar month, and calendar year, unless otherwise specified.

EDO Means equal daily quantities.

EI (Eugene Island) means the arithmetic average of the daily high and low price quotes for "Eugene Island" for Platt's Month of Delivery.

Force Majeure means, except for payment due hereunder, either party hereto shall be relieved from liability for failure to perform hereunder for the duration and to the extent such failure is occasioned by war, riots, insurrections, fire, explosions, sabotage, strikes, and other labor or industrial disturbances, acts of God or the elements, Sellers' laws, regulations, or requests, acts in furtherance of the international Energy Program, disruption or breakdown or production or transportation facilities, delays of pipeline carrier in receiving and delivering crude oil tendered, or by any other cause, whether similar or not, reasonably beyond the control of such party. Any such failures to perform shall be remedied with all reasonable dispatch, but neither party shall be required to supply substitute quantities from other sources of supply. Failure to perform due to events of Force Majeure shall not extend the terms of this Agreement.

HLS (Heavy Louisiana Sweet) means the arithmetic average of the daily high and low price quotes for "HLS" for Platt's Month of Delivery.

Irrevocable Letter of Credit (ILOC) means a Royalty-in-Kind Letter of Credit (Form MMS-4071) with no modifications. The letter of credit must be a written commitment by a federally insured financial institution to pay all or part of the stated amount of money until the expiration date of the letter upon presentation by the Sellers (the beneficiary) of a written demand therefor. Neither the financial institution nor the Bidder/Purchaser can revoke or condition the Letter of Credit.

Koch Posting means Koch Oil Company's posting for West Texas/New Mexico Intermediate, deemed 40 degrees, EDQ for the Physical Month of Delivery.

LLS (Light Louisiana Sweet) means the arithmetic average of the daily high and low price quotes for "LLS" for Platt's Month of Delivery.

Lease refers herein to any contract, profit-share arrangement, joint venture, or other agreement issued or approved by the Seller for the exploration for, and development of, the extraction of, or removal of crude oil from Federal lands in the Gulf of Mexico.

Leaseholder means a company, corporation, partnership, association, person or other entity with whom the Seller has contracted to, explore for, produce, handle, deliver, and/or market Royalty Oil owned by the Seller as its royalty on production from or attributable to Seller's Leases.

MMS' Lessee is that party through Federal lease ownership which has entered into a Lease with the Seller, or which owns operating rights in such a Lease, as defined herein. The activities referred to in this document as being performed by the Lessee can be performed by the operating rights owners on behalf of the Lessee.

Marketable condition means lease products which are sufficiently free from impurities and otherwise in a condition that they will be accepted by a purchaser under a sales contract typical for the field or area.

Mars Blend means the arithmetic average of the daily high and low price quotes for "Mars" for Platt's Month of Delivery.

Operating Rights means the interest created out of a lease authorizing the holder of that right to enter upon the leased lands to conduct drilling and related operations, including production of oil or natural gas from such lands in accordance with the terms of the lease. A record title owner is the owner of operating rights under a lease except to the extent that the operating rights or a portion thereof have been transferred from record title.

Parties mean the Seller and the Purchaser.

Physical Month of Delivery means the calendar month during which the delivery of crude oil occurs.

Platt's means Platt's Oilgram Price Report

Platt's Month of Delivery means Platt's quotes from the twenty-sixth day of the month two months prior to the physical month of delivery through the twenty-fifth day of the month one month prior to the physical month of delivery (excluding weekends and holidays).

Point(s) of Delivery means the point of royalty determination or royalty measurement point approved by the jurisdictional office of the Minerals Management Service. It is the point at which Seller's Lessee is to make available to the Purchaser, and Purchaser is required to take Royalty Oil described in this document.

Poseidon means the arithmetic average of the daily high and low price quotes for "Poseidon" for Platt's Month of Delivery.

Posted price means the price specified in publicly available posted price bulletins, or other price notices net of all adjustments for quality (e.g., API gravity, sulfur content, etc.) and location for oil in marketable condition.

P+ (Posting Plus) means the arithmetic average of the daily high and low price quotes for "P-Plus WTI" for Platt's Month of Delivery.

Pre 1969 means leases issued before October 1969.

Property means a Federal lease or a Federal pooling agreement for which the Seller is inviting bids for Royalty Oil. Numerous Federal leases may contribute to pooling agreements.

Purchaser means the bidder to this IFB whose bid is accepted by the Seller and who is a purchaser of Royalty Oil subject to the provisions of this IFB No. 00-1.

Royalty Oil means that portion of crude oil produced from or attributable to the properties listed in this document to which the Seller is entitled to as the royalty percentage of the production from or attributable to said Leases.

Transporter means principally the pipeline or trucking company receiving delivery of Royalty Oil at the Point(s) of Delivery, but may mean any upstream or downstream pipeline transporter, as dictated by context.

Underpayment means payment for less than the full price or for less than the full volume of Royalty Oil actually delivered to the Purchaser. Underpayment does not result from the under-delivery of Royalty Oil to the Purchaser by the Sellers' Lessees.

WTI (West Texas Intermediate) means the arithmetic average of the daily high and low price quotes for "WTI" for Platt's Month of Delivery.

## **C.2. GENERAL TERMS**

**C.2.1.** Purchaser and the Seller agree that one hundred (100) percent of the Royalty Oil made available by Seller's Lessees at the Point(s) of Delivery will be purchased and taken by Purchaser at the Point(s) of Delivery. Unless otherwise specified, all crude oil will be physically delivered by the lessees at MMS's expense to the trading centers identified in Exhibit A for sale by MMS to the Purchaser at such trading centers. The Purchaser will be responsible for transportation from the designated delivery point. Lessees shall be deemed to be in exclusive control and possession of said Royalty Oil prior to the time of delivery to the Purchaser, and, if taken at the Point(s) of Delivery, the Purchaser shall be deemed to be in exclusive control and possession of said Royalty Oil thereafter.

**C.2.2.** The Seller shall not be liable for consequential, incidental, special or punitive damages or losses which may be suffered as a result of the failure to make available or take the Royalty Oil hereunder.

**C.2.3.** As stated in RIK regulation 30 CFR § 208.8 (b), the lessee shall deliver royalty oil from Section 8 offshore leases issued before October 1969 and Section 6 offshore leases at

a delivery point to be designated by the lessee. Purchasers who are unable to make satisfactory delivery arrangements with the lease operator will have to drop the lease(s) from their contracts as MMS cannot force delivery of the oil from these leases to any specific delivery point.

**C.2.4.** The Purchaser shall hold the Seller and its Lessees harmless for all costs and penalties, including any which may be assessed or imposed by a Transporter against Purchaser at or after the Point(s) of Delivery, including without limitation purchases or sales of imbalance quantities of crude oil at unfavorable prices. The Seller shall not hold the Purchaser responsible for any costs and penalties which may be assessed against the Seller prior to the Point(s) of Delivery.

The Purchaser and the Seller's Lessees shall work with each other and with the Transporter to verify delivery and receipt of Royalty Oil on a timely basis.

It is specifically agreed that there are no third party beneficiaries to this contract, and that the contract shall not impart any rights enforceable by any person, firm, organization, or corporation not a party hereto.

**C.2.5.** The Purchaser shall not assign any of the rights awarded under this IFB and contract without having prior written approval from MMS.

### **C.3. NOTIFICATION OF ROYALTY OIL AVAILABILITY AND PURCHASER ACKNOWLEDGMENT**

Purchaser is authorized and required to communicate with Seller's Lessees to the extent practicable and consistent with industry practice regarding crude oil availability. The Seller's Lessees will be required to provide to Purchaser initial estimates of Royalty Oil available during the month preceding the start of the contract term. The Sellers' Lessees will also be required to notify the Purchaser of any changes in Royalty Oil availability during the contract term, consistent with industry practice.

### **C.4. FAILURE BY THE PURCHASER AND PURCHASER LIABILITY**

If the Seller identifies an underpayment by the Purchaser, the Purchaser will be notified and granted 15 days to pay or demonstrate to the MMS that underpayment does not exist. Beyond the 16<sup>th</sup> day, for the MMS as affected, may choose to call on the letter of credit for the underpaid amount, if the reasons for the underpayment are other than a Force Majeure occurrence. The Seller may choose to terminate the contract when the cumulative underpaid amount exceeds 50% of the amount of the letter of credit.

### **C.5. PURCHASER LIABILITY**

**C.5.1. Purchaser Liability for Bid Value of Royalty Oil.** Notwithstanding contract termination pursuant to C.4, the Purchaser shall be liable for the bid value of one hundred percent (100%) of the Royalty Oil delivered to it by Lessees including oil made available



but not taken by the Purchaser. In the event that any Royalty Oil not taken is sold to a third party at a price below the Purchaser's bid price, the Purchaser will be liable for the difference between the price received by the MMS and the Purchaser's bid price and if the oil not taken is not sold during the month of delivery, the Purchaser will be liable for the full bid value of the oil. Administrative costs and other expenses the MMS incurs as a result of obtaining another buyer for the oil for which the Purchaser contracted will also be due to the MMS. The Purchaser shall pay all amounts due within 7 calendar days after deemed receipt of an invoice. Any disagreement with the respect to the amount of such payment due the MMS will be deemed a dispute and will be decided by the Contracting Officer.

**C.5.2. Liability for Transporter Penalties.** The Purchaser shall be liable for any pipeline penalties imposed as a result of the Purchaser's breach.

## **C.6. DELIVERY VARIANCES TO PURCHASERS BY MMS' LESSEES**

The Purchaser shall not be liable for under payments resulting from deliveries by MMS Lessees that vary from the proper monthly royalty volume. In the event that Lessees significantly over/under deliver Royalty Oil to the Purchaser, the Lessees will be responsible for payment to the MMS. Variances that are not significant will be delivered in Royalty Oil volumes to the Purchaser in the next month after identified and resolved with the Lessees.

## **C.7. AUDIT RIGHTS**

The MMS retains the right to adjust the amount of monthly payments due MMS based on contract reconciliation or audits related to volumes taken by the Purchaser. Notwithstanding any other provision herein, MMS or the Purchaser may adjust the price due to mathematical errors in its calculations.

## **C.8. CALIFORNIA PRICE VARIATIONS**

California pricing in this contract is based on the average of Platt's Oilgram spot price for Alaska North Slope (ANS) and Petroleum Argus ANS spot value applicable to the month of delivery. A gravity adjustment will be made when the delivered gravity deviates more than one-tenth of one degree from the assumed delivery gravity. This results in a further reduction in the price paid if the crude is more than one-tenth of one degree heavier than the assumed delivered API gravity, and an addition to the price if the crude oil is more than one-tenth of one degree lighter than the assumed delivered gravity. The gravity adjustment will be based on the Chevron-California Crude Oil Price Bulletins applicable to the month of delivery. The bid variable then becomes a fixed premium or deduction from the ANS average price for the month of delivery.

## SECTION G

### CONTRACT ADMINISTRATION DATA

#### G.1. PERFORMANCE PERIOD

The contract will be for a term of six months. The contract will be automatically renewed for an additional six months, subject to a 90-day termination notice by Seller or Purchaser. For example, if the contract term is from April 1, 2000 to September 30, 2000, the 90-day termination notice must be received prior to July 1, 2000, or the contract will automatically renew for the additional contract period of October 1, 2000 to March 31, 2001.

#### G.2. PAYMENT AND REPORTING

**G.2.1. Responsibilities of Purchaser.** The following reporting and payment requirements are the monthly responsibility of the Purchaser during the term of this Oil Sales and Purchase Contract:

a. Purchaser shall render payment to the MMS in accordance with the procedures at G.2.1.(b) for all Royalty Oil made available to it at the Point(s) of Delivery. The Purchaser is required to make payment to the MMS for all Royalty Oil made available to it by MMS' Lessees, whether or not Purchaser accepts delivery of such oil. The Purchaser will calculate the amount due each month based on the contract bid price made in Exhibit A and the Royalty Oil volumes recorded at the Point of Delivery identified in Exhibit B-1 of this contract.

b. The Purchaser will remit the total monthly amount due to the MMS by electronic funds transfer (EFT), under procedures outlined in Exhibit C of solicitation No. 00-1. Payment must be credited to MMS' account by close of business on the last day of the month following the month of delivery.

In addition, the reporting to MMS will be in accordance with the Memo dated August 13, 1999, in Exhibit D of solicitation No. 00-1. The MMS will answer any questions over the telephone or by E-mail regarding reporting requirements (contact an MMS Representative at the phone number listed in the last paragraph of the Exhibit D memo).

c. Purchaser shall provide access during normal working hours, to any documents of Purchaser, which are pertinent to the contract and Purchaser's obligation to pay Seller. Such records shall be retained for a period of at least seven years after the final reporting and payment date of the contract.

### **G.3. SET-OFF**

The Purchaser shall not reduce payments due hereunder because of any claim against the Seller arising outside of this contract.

### **G.4. MMS REPRESENTATIVES**

Mr. Todd W. Leneau is the Contracting Officer (CO) and can be reached at (303) 275-7385.

Mr. Robert Prael is the Contracting Officer's Technical Representative (COTR), and can be reached at (303) 231-3217

### **G.5. PURCHASERS REPRESENTATIVES**

Purchasers shall provide the following information at the time of contract award:

Bidder's Business Number:	310-726-2217
Fax Number:	310-615-4500
Accounts Payable Rep:	Linda Ripley
Telephone:	253-680-3291
Alternate Accounts Payable Rep:	Carmen Montero
Telephone:	253-680-3218
Purchaser's Field Rep:	Tom Treichel
Telephone:	310-726-2217

## **SECTION H**

### **SPECIAL PROVISIONS**

#### **H.1. NOTICES/CORRESPONDENCE**

(a) Any notices shall be in writing, shall include the contract number, and shall be forwarded, prepaid, to the appropriate addresses in (b) below.

(b) Correspondence to MMS shall be to:

(1) For contract matters:

Mr. Todd W. Leneau, Contracting Officer  
U.S. Department of the Interior  
Minerals Management Service  
P. O. Box 25165, MS 2730  
Denver Federal Center  
Denver, Colorado 80225-0165  
PHONE: (303) 275-7385 Email: [Todd.Leneau@mms.gov](mailto:Todd.Leneau@mms.gov)  
FAX: (303) 275-7303

(2) For technical matters and ILOC/Bond verification:

Mr. Robert Prael  
Contracting Officer's Technical Representative  
U.S. Department of the Interior  
Minerals Management Service  
Post Office Box 25165, MS3131  
Denver, Colorado 80215-0165  
PHONE: (303) 231-3217 Email: [Robert.Prael@mms.gov](mailto:Robert.Prael@mms.gov)  
FAX: (303) 231-3219

#### **H.2. INDEMNIFICATION**

Purchaser shall indemnify and save the Seller and Lessees harmless from and against any loss, expense, liability, or claim of any kind for damage to property of, or for injury to or death of persons which Purchaser, its agents, employees, or personnel intentionally or negligently or otherwise cause, arising in any way from or connected with performance of this contract.

#### **H.3. GOVERNING LAWS AND REGULATIONS**

Solely applicable Federal Law and this IFB hereunder govern the sale of Royalty Oil. The Federal Acquisition Regulations (FAR), 48 CFR, Ch. 1, Pts. 1-53 do not apply to this sale; however, the Seller may use the FAR as guidance in bid solicitation and contract award.

## SECTION I

### GENERAL PROVISIONS

#### I.1. WITHHOLDING OF DELIVERIES AND TERMINATION FOR PURCHASER DEFAULT

(a) The Contracting Officer for MMS, without liability to the MMS, may terminate this contract in whole or in part as pertains to each respective interest, by written notice to the Purchaser effective upon such notice being delivered personally to any authorized representative of the Purchaser, being deposited in the United States Postal System, or with an overnight delivery service addressed to the Purchaser at the address shown on the award page in the event:

(1) Purchaser breaches any warranty made herein;

(2) Purchaser fails to take delivery in accordance with the terms of this contract;

(3) Purchaser no longer meets the financial qualifying criteria specified in this IFB No. 00-1, as determined by the Seller;

(4) There are instituted by or against Purchaser proceedings in bankruptcy or other insolvency law; or

(5) Purchaser fails to comply with any other term or condition of this contract within 48 hours after the Contracting Officer or their designee, gives telephonic or other oral notice. The Seller will confirm any oral notification in writing.

(6) After the first year, the Purchaser may terminate the contract or specific leases with a 90-day notice to Seller.

(b) Seller may cancel in the event that Koch posting, Platt's posting, or Petroleum Argus is no longer available in the calculation of the price, or the contract price can be renegotiated using available pricing tables.

(c) Notwithstanding other provisions of this IFB, Purchaser shall not be charged with any liability to the MMS under circumstances which prevent Purchaser's acceptance of delivery hereunder due to causes beyond the control and without the fault or negligence of Purchaser, as deemed by the Contracting Officer.

(d) Nothing herein will limit the Seller in the enforcement of any legal or equitable remedy, which it might otherwise have, and a waiver of any particular cause for termination will not prevent termination for the same cause occurring at any other time or for any other cause.

(e) Upon termination of a contract for Purchaser's default, the Contracting Officer may sell or otherwise dispose of the remaining crude oil in an appropriate manner. Any net loss experienced by the seller, calculated as the difference between the price received for the remainder of the contract period as sold by the Contracting Officer, to include administrative cost and the price that would have accrued had the Purchaser paid for the volumes until the term of the contract expired will be due from the Purchaser.

## **1.2. TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT**

The Contracting Officer, by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest.

## **1.3. LIMITATION OF THE SELLER'S LIABILITY**

The MMS is not liable for nonperformance due to Force Majeure. In addition, see Section C.5.

## **1.4. DISPUTES**

(a) For the purpose of this contract, the Contract Disputes Act of 1978 (41 U.S.C. §601 et seq., PL 95-563) is applicable. If a dispute arises, the Purchaser may submit a claim to the Contracting Officer, who will issue a written decision on the dispute. A "claim" is a written request submitted to the Contracting Officer for payment of money, adjustment of contract terms, or other relief requiring a Contracting Officer's decision.

(b) In the case of disputed requests or any amendments to such requests for payments exceeding \$50,000, the Purchaser shall certify, at the time of the submission of a claim:

I certify that the claim is made in good faith, that the supporting data is accurate and complete to the best of my knowledge and belief, and that the amount requested accurately reflects the contract adjustment for which Purchaser believes the MMS is liable.

Purchaser's Name:  
Signature of Certifying Official:  
Title:

(c) The Purchaser shall pay the MMS, as applicable, interest on the amount found due from the date the amount is due until the Purchaser makes payment at the underpayment rate in 30 U.S.C. 1721. The Internal Revenue Service Rate will be used as prescribed in 30 CFR 218.54 and 218.102 .

(d) The decision of the Contracting Officer will be final and conclusive and not subject to review by any forum, tribunal, or MMS agency unless an appeal or action is timely commenced as specified by the Contract Disputes Act of 1978.

(e) Purchaser shall comply with any Contracting Officer decision, and at the Contracting Officer's direction will diligently perform under this contract pending final resolution of any claim, appeal, or action related to this contract.

## **I.5. GRATUITIES**

(a) The Seller may terminate the contract by written notice if, after notice and hearing, the agency head or designee determines that the Purchaser, its agent, or another representative offered or gave a gratuity (e.g., entertainment or gift) to an officer, official, or employee of the Seller and intended to obtain a contract or favorable treatment under a contract.

(b) Any court having lawful jurisdiction may review the facts supporting this determination.

(c) If this contract is terminated under (a) above, the MMS is entitled to pursue the same remedies as in a breach of contract. The Seller may, at its discretion, terminate this contract without liability, or deduct from the contract price or consideration or otherwise recover the full amount of any commission percentage, brokerage, or contingency fee.

(d) The rights and remedies of the MMS provided in this Article are in addition to any other rights and remedies provided by law or under this contract.

## **I.6. INTEREST**

All amounts due and payable, including interest assessed on late payments, must be paid by the bill due date. Amounts not so paid shall bear interest, computed on a daily basis, from the date due (i.e., date of deemed receipt of invoice) until the MMS receives payment, at the underpayment rate under 30 U.S.C. 1721.

## **I.7. EXPORT LIMITATIONS AND LICENSING**

Purchasers are subject to all the limitations and licensing requirements of the Export Administration Act of 1969 (83 Stat. 841) in accordance with 10 U.S.C. §7430(e).

## **I.8. PURCHASER'S RELEASE OF CLAIMS**

Purchaser hereby releases the MMS from all claims arising in connection with this contract, except in the case of those federal claims meeting the requirements of the Contract Disputes Act which the Contracting Officer receives prior to the date upon which final payment is due hereunder. Claims not received before such date are forever barred.

Supplemental billings and credits issued after the final invoice will not extend the date for submission of claims beyond the final payment date shown on the final invoice.

#### **I.9. IRREVOCABLE LETTER OF CREDIT OR BOND**

The ILOC or Bond must be increased to 99 days worth of production on the properties listed in the Purchaser's lease list as stated in H.12 of solicitation No. 00-1 by no later than March 24, 2000. Additional specifics for ILOC or Bond requirements are set out in H.12. and Exhibit E of solicitation No. 00-1.